

Questions for UConn and UConn Health
Appropriations Committee Informational Hearing – COVID-19 Impacts
August 28, 2020 1:00pm -4:00pm

UConn

1. Please provide updated financial information for the following:

a. FY 20 and FY 21 expenditures for COVID-19 (separately for each FY) to date --

i. Total

COVID expenditures to date:

FY20 - \$1.8M

FY21 - \$1.0M (through 7/31)

Total - \$2.8M

As requested, the answers to questions 1a and 1b refer only to expenditures and the revenue losses are highlighted below in questions 1c and 4.

ii. Amount submitted to OPM to date for reimbursement

\$2.8M has been submitted to OPM covering expenses through July.

iii. Amount approved for reimbursement by OPM/actually reimbursed by OPM, and source of funds (e.g., Higher Education Emergency Relief Fund, Coronavirus Relief Fund)

UConn has officially received pre-approval from OPM for \$1.4M in reimbursement from the Coronavirus Relief Fund. No funding has been transferred yet as we await the outcome of the FEMA reimbursement. Based on OPM guidance, UConn will submit requests for reimbursements for COVID expenses incurred to FEMA. FEMA will pay no more than 75% of eligible expenditures. The state has committed to reimburse the remaining 25% from the Coronavirus Relief Fund (CRF), and 100% for those COVID-19 related expenditures not eligible for FEMA reimbursement.

b. Expected FY 21 expenditures for COVID-19, that have not yet been incurred

About another \$12.7M is expected in future COVID-related expenses including testing, dining service requirements, cleaning, and IT costs.

UConn COVID Expenses				
	FY20*	FY21 (Expenses paid through July)*	FY21 (Estimated remaining expenses)	Total
Telecommute/Work from Home	356,662	40,094	200,000	
Medical Supplies/Drugs/PPE	476,410	252,944	2,000,000	
Testing (\$2.5M-\$5M)	-	-	5,000,000	
Other	123,475	96,140	2,500,000	
Services -including Health Safety	598,506	63,885	1,500,000	
Academic Preparedness / Academic Support	296,779	495,032	1,500,000	
	1,851,832	948,095	12,700,000	15,499,927

- c. **FY 20 and FY 21 net tuition, fees, room, and board revenue impacts, including a note indicating the net impact of the August decision to not offer university housing to out-of-state students who are taking only remote courses**

The total losses for FY20 is \$31.8 million as noted below. For FY21, \$52.6 million in losses have already been realized. If we have an early close and go fully online at any point during the fall, these losses could increase significantly.

FY20 Rebates

Housing - \$18.4M

Dining - \$13.4M

Total - \$31.8M

Of the \$31.8M FY20 impact, we received \$10M in institutional support from the federal CARES Act, so we requested the balance of \$21.8M in GEER funds, for which we received \$1M.

FY21 Lost Revenue (Fall Semester Only)

Housing - \$27.7M

Dining- \$17.9M

Fees - \$7.0M

Total - \$52.6M

Net impact of the August decision to not offer university housing to out-of-state students who are taking only remote courses ~\$5.3M

- d. **FY 21 net impact of the football season cancellation**

The net impact of cancelling the football season is a \$2.75M savings to the University.

2. **Have you sought FEMA funds, and if so, how is the process proceeding?**

UConn has submitted costs believed to be eligible to FEMA through June 2020 in the amount of \$421,000. We will continue to file quarterly as directed by the State Division of Emergency Management and Homeland Security through the Federal Grants system.

3. **What is the expected FY 21 cost of UConn's testing plan? Is the state reimbursing UConn for all testing, and if so, do you know what the source of funds will be?**

UConn's expected student and employee COVID-19 testing costs in FY21 will be between \$2.5M-\$5.0M. We believe the State will only reimburse for Surveillance Testing, up to one test per student, so it is possible that a small portion of the testing may be reimbursed. However, we understand from OPM that there is a separate budget within CRF for testing from which we will apply.

4. Please provide an updated FY 21 fall budget scenario (as in pg. 17 in the July 14 presentation to the HED Committee), based on revenues and trends to date.

UConn currently projects a \$74M loss in FY21, including Fall and Spring, with \$48M already identified in mitigating items, bringing our remaining loss to \$26M, we are asking the state to cover this one time shortfall. In the event of an early campus closure, the University could see deficits of \$116M or higher, bringing the request for additional state support request to \$56M. If the estimated state unfunded legacy costs are included at \$30.9M, the requests become \$57M in the current estimate and \$87M in the early close scenario.

	Current Estimate	Early Close Scenario
Pre-Covid operating deficit	(7,000,000)	(7,000,000)
State Block Grant lapse/cut (incl fringe)	(4,643,460)	(4,643,460)
Loss of tuition/enrollment drop	(789,978)	(789,978)
Loss of housing/dining/other fees	(61,393,629)	(103,773,839)
Deficit	(73,827,067)	(116,207,277)
Mitigation plans identified		
Furlough - management	4,000,000	4,000,000
COVID Expense Savings, Spending Freeze & Hiring Delays	31,000,000	35,000,000
University-wide program cuts	13,000,000	21,000,000
	48,000,000	60,000,000
State Request/Remaining Deficit Mitigation*	(25,827,067)	(56,207,277)
*If this were to include the State unfunded legacy costs at \$30.9M, the request would total \$57M in current estimate and \$87M with an early closure.		

5. Did deposits for housing and enrollment continue to be strong, as in July? If not, what was the financial impact of any deterioration (i.e., melt)?

Housing - Fall Semester							
STORRS ONLY	Baseline	June Estimate	July Estimate	August 1 Estimate	August 11 Estimate	August 24 Estimate	Variance from Baseline
Capacity Count	12,191	8,100	6,611	6,167	5,000	4,766	
Percentage	100%	66%	54%	51%	41%	39%	
Revenue	\$ 46,917,399	\$ 31,173,073	\$ 25,442,616	\$ 23,733,869	\$ 19,242,638	\$ 18,342,082	\$ 28,575,317
Weekly (16 Weeks)	\$ 2,932,337	\$ 1,948,317	\$ 1,590,163	\$ 1,483,367	\$ 1,202,665	\$ 1,146,380	
Daily	\$ 418,905	\$ 278,331	\$ 227,166	\$ 211,910	\$ 171,809	\$ 163,769	

Prior to COVID, UConn housed over 12,000 students on campus. With COVID and efforts to de-densify the campus, in June it was announced that available housing slots on campus would be 8,100. In mid- August, after consultation with the state Department of Public Health and our own infectious disease experts at UConn Heath, we came to the difficult conclusion that we needed to further de-densify our campus residential spaces.

Housing counts dropped 6,600 to 5,000 including cancellations and out-of-state in person class requirements. The impact was an additional loss of \$6.2M. The total loss from baseline is \$28.6M.

Enrollment of students continues to remain strong, consistent with numbers that were shared in July. The university originally planned to enroll 6,425 new undergraduate students, and currently expects to surpass this number by as many as 200 new students.

6. What, if any, benchmark will be used if needed this fall or spring, to determine if the residence halls should be closed and all instruction should shift to online?

There are several indicators that signal the need to close which would focus upon being unable to provide for care and containment of students COVID cases such as maxing out our medical isolation beds, significant, shortage in medical staff because of illness, quarantine dining hall reach capacity and unable to staff critical infrastructure

7. How are departments meeting their budget cut targets (a total of \$25 million in FY 21)? Please be as specific as possible.

Prior to COVID, to balance the FY21 budget, we cut University departments by 3% - 4%, totaling \$25M. As a result of the global pandemic, UConn and UConn Health are facing the largest budget shortfalls in our 130 year history – now totaling \$73.8M at UConn. To mitigate this deficit, we have allocated an additional \$13M in budget cuts to the departments, for a total of \$38 million of cuts to departments for FY21, which combined with University-wide cuts of \$10M, leaves a remaining deficit of \$26 million.

Cuts we've made to address the deficit include: a 5% cut to management pay, a 10% cut to senior management pay, elimination of 4 sports, a hiring freeze and spending freeze (with exceptions for critical operations).

8. How much net support does UConn expect to obtain from the foundation in FY 21?

The University receives an average of about \$19M in support annually from the Foundation. In keeping with donor intent, these funds are used for specific services such as endowed chairs, financial aid, supplies, speakers/lecturers, etc. It is estimated that about the same amount will be received in FY21.